RESOLVING DEVELOPMENTAL CONFLICT IN AFRICA THROUGH BILATERAL RELATIONSHIP WITH ASIAN COUNTRIES

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ABSTRACT

Bilateral relationship has the potentiality of changing the economic posture and prospect of the African economy. It has the potentiality of resolving the African ethno-religious and communal conflict as well serve as an instrument to galvanize all the abundant resources in Africa and transform them into the nucleus that can bring about socio-economic and political development, create employment opportunities and national integration. This bilateral relationship especially with Asia has a long historical record in Africa specifically with Nigeria, during the regime of late General Murtala Muhammad 1975-1976, the General Muhammad Buhari/Idiagbon regime 1983-1985, General Muhammad Sani Abacha Administration 1993-1998, and of recent the attempt made by the present administration of Alhaji Umaru Musa Yaradua/Goodluck 2007 to date for shifting the economic policy to the Asian continent in search of Nigerian solution to the ailing economy, and the resultant conflict that served as one factor sustaining Nigeria economic instability. This paper is based on deductive, inductive and comparative methods of research which specifically concludes that, it is possible for bilateral relationship with Asian countries, particularly Malaysia, Thailand and Singapore to serve as a platform for resolving ethno-religious conflict and economic instability, an attempt as stated above prove to be very useful as reflected in the history of Nigeria.

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Introduction

There has been serious contradiction beyond the reasonable imagination of most world economic analysts as to the reason why African continent in particular sub-Saharan Africa refused to develop. Some scholars like David McClelland, (1962) attributed the lack of development of Africa to the absence of an institution and structure that allow the existence of need for achievement. The critique of McClelland parry away his argument, with fact that, 90 percent of Africans are farmers, blacksmith, weavers, fishermen, artisans and host of other traditional African professions and this trades are being transmitted to generation after generation, it is in fact known as family trade. This assertion renders McClelland theory ineffective and sentimental.

While scholars attributed the economic, political, social and cultural decay of African states to the activity of the colonial masters. Thus was categorized this position into, the period of colonialism, period of plunder or period of unequal exchange, neocolonialism or imperialism, and now Globalization. Scholars like Andre Gunder Frank (1998), Samir Amin, (2006), and host of other writers describe the retrogressive posture of Africa as the resultant effect of those stages of colonialism. Andre Gunder Frank and Samir Amin states that development and underdevelopment are two side of the same coin, development taking place in Europe and underdevelopment taking place in Africa at the same time. This is so because the able bodied Africans were repatriated to Europe working in industries and plantations, developing Europe (Slavery) while Africa was left with old men and women that cannot contribute to any meaningful development (Samir 2006 and Andre 1998).

The critique of the above theory squatle this position, by saying that how long have colonial masters left; what stop the African leaders from evolving a new strategy for development internally. These scholars argue that the problem of Africa is attributed to the lack of responsible and responsive leadership, supporting this position, the world bank report 1997, states that ‘Nigeria with over one hundred and twenty million people, with over one hundred million dollar income, with enormous resources, but the only missing link between Nigeria growth and development is purposeful leadership’ . The long military dictatorship, pervasive corruption, ethno-religious diversity, and lack of cultural harmony contributed in no small measure in stagnating the continent from forging ahead, therefore the problem is internal rather than external, a resolution to the above problems, will usher in new African states and will galvanized the necessary instrument for development. On the other hand or rather in the same vain some Asian Countries also, suffered same colonial exploitative leadership, yet have overcome such trauma and have since develop or have mature their economy to carter for the citizens needs and aspirations, for example; an assessment of most Asian economy during the post colonial period reveal a serious similarity with that of most African states. However, as from 1960s to date, the Asian countries have grown beyond the reach of all African countries. Thus looking at the economic growth and development in the Asian countries as represented by the economic indices of development prove to the affirmative the assertion above? Wolassa L. Kumo (2009) states that, south Korean records of achievement as from 1960s remain incredible, it was rated as one of the 26 richest countries in the world and was registered as one of the trillion dollar clubs of the world economies, while at the same time, Sudan, Nigeria, Ghana remain one of 33-40 position in the rating of world economies in 2004. This is to say that these countries still remain in the list of the least developed countries of the world despite the absence of resources in most Asian countries and abundance of mineral resources in Africa (Wolassa, 2009).

A close look at African states after independence (1950s and 1960s) revealed a scenario that unveil a promising future, with indices of economic growth and development that seem to be soul consoling, especially with the discovery of oil in 1950s up until around 1973, (Bala Usman, 1980). In the case of Nigeria , the then leader general Yakubu Gowon Udoji arrears to the Nigerian workers unsolicited for, and the poor or lack of plan and as well as beginning of corrupt practices by some of his cabinet sore the seeds of corruption which serve as the cankerworm that stand on the way to Nigeria economic growth and development. The Gowon initial mistake launched Nigeria into corruption, which surfaces prominently in the 1980s. The celebration by the ruling party chairman Chief Adisa Akinloye with a who is who party in Lagos to celebrates his acquired millions in the 1980s, without revealing the source of investment that yielded such proceeds revealed further the maturity of corruption in the country.

Wolasso, (2009) observed that as from 1980 African states started manifesting the signs of negative economic development and stagnations. This is exemplified by the huge importation of essential commodities like rice, sugar from Asian countries and Brazil, and as well the percentage of loan deficit characterizing most African states are enough indicators of its economic retrogression and underdevelopment.

The acceptance by most African countries to sign and concur with the Washington consensus of 1980, which serve as the incubator that house the endemic structural adjustment programme, that was designed by the Western countries and spearheaded by America, as well pushed around by International Monetary Fund (IMF) and the World Bank, with its cosmetic prescription as the only remedy to an ailing economy, further strengthen the problem of African economy. The IMF and the World Bank with the support of America and western countries forced African leaders to adopt it as the only remedy that can healed the economic stomach pain of all African states. This is yet another renewed method of colonialism, which we can simply classify as an achieved imperialism. Wolassa (2009) called it neoliberal structural adjustment programme. He concludes that, the outcomes of the IMF and World Bank programmes are often contractive and to a greater extends counter productivity. While in the 1980s sub-Saharan Africa continue to struggle to either survive, or are desperately fighting for leadership positions; as well as debating on who own what resources. The Asian leadership was already implementing their 5 or 10 years development plan, this is apparent, especially when we compared the economic indices between the two continents. This divergence in the economic indices between Africa and Asia shows the level of commitment of Asian leadership and the degree of the leadership responsibility and responsiveness. For example the average GDP for sub-Saharan Africa as compared to that of Asian countries in the 1980-1990 shows sub-Saharan Africa having 1.7 percent and 2.1 percent; while in the period of 1990-1997 that of East Asia is 7.8 and 9.9 percent respectively (world Bank,1999). The sub-Saharan Africa Gross Domestic Product GDP decline in the 1970s as reported by the World Bank is 3 percent in the late 1970s and to about 1 percent recovery in 1990s, which shows a significant improvement (Lawrence and Thirtle, 2001). This decline and improvement was not properly being addressed due to political instability, and military intervention that characterized the region in the 1990s up to 2000 and beyond. While on the other hand the high performing Asian economy continue to witnessed positive economic growth and development since 1960s, leaving the sub-Saharan States far behind.

At the time of decolonization in the 1950s and 1960s, the level of economic development in most of Asia was comparable with that of Africa. For instance, four decades ago, the per capita income of South Korea was comparable with that of the Sudan in Africa. However, since the 1960s, South Korea has achieved an incredible record of growth to become one of the 26 richest countries in the world and was able to join the trillion dollar club of world economies in 2004 while Sudan is still one of the 33 Least Developed Countries (LDCs) in sub Saharan Africa (SSA). The Asian miracle and the failure of (Sub-Saharan Africa) SSA in the late 20th century puzzles many development thinkers primarily because unlike the Asian countries, the African countries had relatively large endowments of natural resources and hence were expected to achieve higher economic growth in the post independence period. Although most African countries which gained independence in the 1960s showed rapid economic growth, their growth could not sustain beyond the first oil shock in 1973. By the early 1980s, African countries already began to show signs of economic stagnation and their external deficits had become so severe that donors and other financers were no longer willing to continue to provide support (World Bank, 1999) cited in Masware, 2006. In discussing the differences between SSA and Asian countries, we are likely to see that, much of the SSA growth was in agriculture that of East Asian growth was in industry. In comparing the GDP between the SSA and the East Asian countries startling result will show that the SSA , real GDP growth has recorded serious decline with about 3% in the late 1970s to about 1% in the following decade with an insignificant recovery in the 1990s (Lawrence and Thirtle, 2001). While on the other hand, an assessment of the Asian economies also known as the high performing Asian economies (HPAEs) presented a positive per capita GDP, since the 1960s. Thus East Asia became an undisputed development success while SSA became a development tragedy of the late 20th century (Lawrence and Thirtle 2001).

COMPARING AFRICA AND ASIAN COUNTRIES

The rest of the discussion in this paper is focus on the following: comparative development perspectives for the two regions and the discussion on the opportunities and challenges facing the African continent in the 21st century.

In discussing Africa and Asia´s Economic Performance and as well in an attempt to compare the two economies as stated earlier, after a relatively higher growth during the first decade of independence, the economies of SSA seem to be stagnating, while countries in East Asia which were at similar level of development with SSA in early 1960s showed rapid and sustainable economic growth. Studies as done by the World Bank seem to point at the poor leadership in most of the SSA as one single factor contributing to the stagnation. Over the period 1965-89, as reported by Maswana, real per capita annual growth of SSA averaged less than 0.5% compared to 5% for the high performing Asian economies which included Hong Kong, Indonesia, Malaysia, South Korea, Singapore, Taiwan and Thailand (Maswana, 2006). As a result in 1997, SSA GDP per capita was US$560 as compared to per capita income of US$4,230 for Latin America, $750 for China and $24,710 for the industrial world (Maswana, 2006).

In its 1993, The East Asia Miracle Reported by the World Bank (in Maswana, 2006) offered number explanations for rapid growth in this sub region. Among these high savings and investment rates, a relatively high degree of equality, high growth rates of human and physical capital, high productivity growth, (including agriculture), and high growth rates of manufactured exports were considered to be key drivers. Development theory and practice indicates that economic development generally consists of nations undergoing a series of structural transformations from tradition bound, less productive and less profitable activities to modern technology bound, more profitable and value-added activities. According to Clark and Roy (1997) and Maswana (2006), this transformation include the change from less sophisticated to more sophisticated agricultural techniques, from an agricultural to a manufacturing, to perhaps service economy, from light to heavy to high tech industries in post agriculture economies. While structural transformation was sustained and rapid in Asia whose manufacturing export jumped from 22% of merchandise exports in 1963 to 87% in 2000, SSA experienced only a slight change from 7% to 20% in the same period (Maswana, 2006). The main reason for such failure in SSA,is the persistent presence of wrong government, wrong development, wrong strategy that neglected the agricultural sector. Since the 1960s, the level of the public resources allocated to agriculture in SSA has been consistently low relative to the sectors' size and contribution to the GDP. According to the World Bank (2000) and Maswana, (2006), in most African countries, the sector receives less than 10% of the public investment spending, and considering the reality on sectoral performance, agricultural sector accounts for about 30-80% of the GDP in most of the SSA countries.

Another reason for the wide and glaring difference in growth performances between East Asia and SSA was the existing gap/disparities in savings and awareness and consequently the resultant investment rates. The World Bank reports that saving rates nearly doubled in some countries in East Asia, with an average of 30% of disposable income between 1984 and 1993, in the same vain SSA´s retained modest savings rates which fell to 10 to 15% (World Bank, (1999) and Maswana, (2006). During the period 1980-2004, the savings rates in Africa was 16% of GDP, even though it was highly unstable and/or consistently erratic and the investment rates remained lower than that of East Asia for the same period with savings and investment rates in Asia averaged 30% in the same period and the saving rate (Maswana, 2006).

In addition, Asia received an increasing capital flows from both Africa, Europe, and America which blossom their internal and external trade in the area of industries, communication, agriculture and hosts of other sectors. At the same time capital flows to Africa were so limited stagnated, lopsided tilting towards importation of both what their capacity can produce and what not. This scenario ably represented the character, nature and states of the African economy, highly dependent and externally modulated. In 2007, Asia received over 62% of the FDI destined to the developing countries and the region is regarded as the most preferred destination for foreign investment in developing countries. This singular world recognition couple with political stability, security and desire to grow make Asian states to be ahead of African state in both economy and political stability. A close look at the FDI flow to African states revealed the, Africa received only about 10% of the FDI flows to the developing countries, this amount considering the population, ecological, political, social and other factors seem to be grossly inadequate to move the continent forward. Therefore, to this end a bilateral relation between Africa and East Asian states will serve as a catalyst for regrouping the abundant talents, resources, and capital for a purposive development.

The preivious effort made by most African states failed to yielded the needed results because the leadership failed to plan or have intentionally plan to fail in their policies or choice of the strategies to implement the policies, the Africa´s trade and industrialization strategy lacked the dynamism observed in Asia plans and even elsewhere. It has been historically attested that, during the first decades of independence, both SSA and East Asia adopted Import Substitution Industrialization strategy that was meant to create domestic industrial base, which will serve as a ladder that will facilitate tacit competition with the rest of the world at a later stage. While The Import Substitution Industrialization strategy have avail the East Asia the needed opportunities that are manifesting itself today, which at the same time created a foundation for a transition to export-led industrialization, that serve as catalytic engine of growth in the region, in Africa the import substitution strategy monumentally presented itself in a form of currency overvaluation, development of parallel currency markets and shortage of foreign exchange which required the purchase of intermediate inputs that will be used to produce both tradable and non tradable goods and hence transition to the export led industrialization strategy never materialized. These unipolar approaches to solving economic problems in Africa seem to be one factor that draws Africa industrial advancement backward.

However, there seem to be no single or general position that contributed to the accelerated development in East Asia. Most writers, researchers, and analysts as stated earlier, attributed the rapid development in East Asia to the existing high rates of saving and investment in the region as depicted by its 30 percent as against SSA 19 percent. To some observers, the development is attributed to the existence of appropriate politics, policies, and positive administrative/bureaucracy, investment in human and physical capital, technology, promotion of agriculture, export orientation, entrepreneurship, revolution on cultural dimension, it is as well attributed to the existence of concerted state intervention where necessary. Although there seems to be no general agreement regarding the causes of the East Asian economic miracle of the late 20th century, the established general consensus pointed to the direction of the following factors: as mentioned earlier among other things, high rates of savings and investment, investment in education, capital accumulation, sound macroeconomic management, relatively open trade policy, dynamic agricultural sector, maintenance of relatively equitable income distribution, and political credibility (Booth, 2001)

CONCLUSION AND RECOMMENDATION

A great number of studies have pointed towards the direction of the East Asian miraculous development with single general model that can best explain the miracle. To writers of the paper the model can best be defined as eclectically tilted economic model that tend to hibernate than adapt or adopt, it can as well be seen as proactive nationalism economy. The non existence of one single model that can easily be emulated in Africa will not render the bilateral relation invalid, but it should serve as a step towards fortifying such relationship with the aim of imbibing the culture of development through nationalism that is devoid of corruption and sentimentality. This will be possible through learning, exchange and sharing of knowledge as well as resources that has comparative advantage to each country choosen for the bilateral agreement Booth (2001) in Lawrence and Thirtle. Lawrence and Thirtle argues that, the most prominent models adopted or adapted in most of the East African countries that ginger their present development are; (i) manufactured export led, state interventionist model based on the experience of Japan, Taiwan, and South Korea, (ii) the Freeport commerce and service dominated model of Hong Kong and Singapore, and (iii) the natural resource model of Indonesia, Malaysia and Thailand. The possibility of SSA´s to emulate the successes of the East Asian multi faceted model could depend on more concerted effort in evolving a culture of tolerance, universalism rather than individualistic approach to nation building, continuity rather than discontinuity in almost everything, leadership inclusive. Another and most fundamental factor to emulate from Asia includes the development of the culture of national identity and political commitment to growth with equity and devoid of ethno tribal differentiation. The sub-Saharan Africa can also the development lists and distributive model role of the states as depicted in Korea and Taiwan. This will simply do away with the authoritarian, sit tied posture of leaders and kleptomaniac tendencies of SSA countries, which will eventually give way to the evolution of states that will be concern with maintenance of power that will ensure a successful economy (Lawrence and Thirtle, 2001).

Lawrence and Thirtle (2001) attempted at suggesting to Sub-Sahara Africa an alternative models that could galvanized the economy and make it functional in the long run. This should include sincere effort that will garner support for policies to support agriculture, but quickly warned that it should be based on price incentives and market opportunities. The Second option could be industrial policy, but this may be difficulty due the difficulty in identifying target manufacturing industries to be used as a starting point. The final option failed to yield the needed results, which is trade liberalization that was marketed to SSA countries Nigeria inclusive which failed to yield the needed results up till the present moment. The return to glory of African economies began around 1995, which was symbolized with an initial increase in per capita incomes (Bigsten and Durevall, 2008). This return to glory that seem to be sustainable up untill 2001 with an average growth rates of over 6% per annum, this was partly attributed to the resources price boom as well as improved economic policies, such as the adoption of foreign unfamiliar macroeconomic frameworks, increased in the support and reliance on private sector as a careers and instrument for economic growth, and the improvement in governance in many countries. To a greater extent the emergence of more participatory government/regimes has improved confidence which geared towards having an increased investment in more sub regions of the continent (UNECA, 1999). Despite all these, SSA is still one of the least developed sub region with massive poverty and underdevelopment in the mists of abundant resources. Thus goes to show for as long as there are opportunities and hopes for SSA, there are numerous challenges facing such opportunities and one remedy is the fortification of our bilateral relationship with East Asia. Results of different Studies have shown that any attempt towards reducing poverty in Africa by half during 1999–2015, need to evolve a balanced policies that will enhance economic growth and reduce inequality. In addition to the above an average annual rate of growth of at least 7 per cent are minimum requirements. The Policies and actions should also promote broad-based, labor-absorbing patterns of growth; these are critical to ensuring that the poor are not only watching but are participating and benefitting from the anticipated income growth (UNECA, 1999).

An effort need to be made towards information revolution through internets and communication connectivity. Africa inherited is 165 borders, with 52 countries, 22 of which have a population of 5 million or less, and 11 of which have a population of fewer than 1 million. This partitioning that was done for the convenience of the colonial masters continues to be a major obstacle in Africa’s development as well as developing a uniform currency and economic policies. There is no gain saying that, regional cooperation is sine qua non for competitive entry by any individual African country into world markets (UNECA, 1999).

The inability of Africa to industrialize pushes the continent further away from the gate way to participation in world commerce and finance. In fact industrialization is crucial to any meaningful structural transformation of any economy and Africa´s economy inclusive. Industrialization will provide the necessary platform that will enhance Africa´s competitiveness in the comity of nation in our today increasingly globalized economy. The present state of Africa´s industrialization remains low, with only a handful of countries where manufacturing as a share of GDP exceeds 25 per cent, considering the 30 percent recorded by the East Asian countries SSA has a lesson to learn from them. The benchmark for considering a country as having achieved the threshold of industrial take-off is 25 percent with few member nations in SSA's one can simply conclude that SSA's are really left behind. The inability of most SSA' countries to transform their export composition from primary to process or semi finished products is also one obstacle to their growth and development. Scientific research conduct and implementation expenditure ratio in both public and private sector remained low and unimpressive which in a greater extent disgruntled meaningfull development (UNECA, 1999). The SSA's should make positive effort towards attracting FDIs, as well as the desire to rapidly expand human and physical infrastructure and fully participate in the global information community. An accelerated growth that will ensure sustainability at an acceptable competitive percentage from 8 percent and above should be targeted per annum if the desire is to evolve transitory economy in Africa. These are only steps that will sustain and prevent countries that are recovering at present from returning back into stagnation. Thus, in spite of the recent good news, the challenges ahead for Africa to deepen economic and social progress and to sustain it over the next two decades are formidable (UNECA, 1999).

Africa is today tagged as a region with a very high economic risk considering a great number of factors such as ethno religious conflict and hosts of other conflicts in the region, policy instability and governmental inconsistencies among other issues. This goes to show that both domestic and international investors required a very high risk premium and/or governmental intervention on investment in the continent. Therefore the stability as well as the quality of any economic environment within which economic actors operate heavenly rely on the institutional structure, the kind of government and the leadership focus and direction. (Bigsten and Durevall, 2008). The above remain the apparent challenge as a matter of urgency if the desire of SSA's is to sustain and improve the current growth opportunities. Prior to the present moment East Asia was at comparable level of economic development with Africa, but East Asia surpasses Africa in economic advancement immediately after independence. This development was as a results of the East Asia's high rates of savings and investment, investment in education, capital accumulation, sound macroeconomic management, relatively open trade policy but with protectionists elements, dynamic agricultural sector, maintenance of relatively equitable income distribution, and political credibility. The above factors contributed in no small measure in the rapid development of East Asia, from non sophisticated, low-valued added economic activities to highly sophisticated high-tech led and highly profitable modern economies. At the same time the Africa remained the poorest and the most marginalized continent in the world today. However, the African economies saw a turnaround beginning in mid 1990s and this development has accelerated since 2001 with a sustained annual average growth in excess of 6% which is still below the anticipated 8 percent as recognized by world economies. In order to reduce degree of poverty in the continent in the near future, the continent needs to improve its growth to over 8% per annum this is only going to be possible by fortifying bilateral relationship with the East Asian states whom some African states have common colonial history, and administrative similarities.

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